

Old Age, Disability, Death

First law: 1928.

Current law: 1988.

Type of program: Social insurance system.

Exchange rate: U.S.\$1.00 equals 2,306 sucres.

Coverage

Employees in industry, commerce, agriculture, government and self-employed. Exclusions: Family labor working in family enterprise.

Source of Funds

Insured person: 6% of earnings in industry and commerce; 8% in banking; 8% in government; 8% in teaching; 6% in agriculture. Domestic workers, 6%. Rural workers, 1% of legal minimum wage for each family. Self-employed, 8.39% of earnings.

Employer: 2.39% of payroll in industry and commerce; 2.39% in banking; 0.39% government employees; 0.39% teachers; 2.39% for agricultural and domestic workers.

Government: 40% of pensions paid, and 0.30% for rural program.

No maximum earnings limit for contribution purposes.

Maximum limit for benefits: 10 times minimum wage.

Minimum for contribution purposes: Legal minimum wage: 75,000 sucres a month.

Qualifying Conditions

Old-age pension: Age 55 and 360 months of contribution, or at any age with 420 months of contribution; beginning with age 60, the minimum number of monthly contributions is reduced. Retirement necessary. Reduced pension at age 45 with 300 months of contribution and 6 months of unemployment.

Disability pension: 5 years of contribution. Incapacitated for all work.

Survivor pension: 5 years of contribution by insured, or deceased was pensioner at death.

Death grant, 6 months of contribution in last year.

Old-Age Benefits

Old-age pension: 75% of average earnings during 5 highest earnings years (need not be consecutive), plus increments of 1.25% of earnings per year of contribution beyond 30 years.

Minimum pension: Equal to legal minimum wage.

Schedule of payments: 15 payments a year.

Adjustment: Pensions adjusted annually for increases in the legal minimum wage.

Permanent Disability Benefits

Disability pension: 43.75% of average earnings during 5 highest years (need not be consecutive), plus increment of 1.25% of average earnings per year of contribution beyond 5 years.

Survivor Benefits

Survivor pension: 40% of pension of insured, payable to widow, disabled widower, common law wife of at least 2 years, or mother of deceased's children.

Orphans: 20% of pension of insured, or 40% if full orphan, for each orphan under age 21 (no limit if disabled).

Other survivors (if dependent on deceased): Mother or disabled father, 20% of pension; brother or sister under age 21, disabled, or student, 10% of pension each. Contributions paid by insured refunded as lump sum if no pension payable.

Maximum survivor pension: 100% pension of insured.

Death grant: 21 times the minimum wage, less funeral grant below.

Funeral grant: 10 times minimum wage.

Administrative Organization

Ministry of Social Welfare, general supervision.

Ecuadorian Social Security Institute, administration of program.

Sickness and Maternity

First law: 1935.

Current laws: 1942, 1964 and 1988.

Type of program: Social insurance system. Cash and medical benefits.

Coverage

See old-age pension above.

Medical care available to all insured persons.

Source of Funds

Insured person: None.

Employer: 4.71% of wages for medical benefits (includes 3.41% for medical benefits; 1.30% subsidy for sickness and maternity).

Government: None.

Qualifying Conditions

Cash sickness benefits: 26 weeks of contribution, including 8 weeks during last 6 months.

Cash maternity benefits: 26 weeks of contribution during last 12 months, including 4 weeks during first quarter of last year.

Medical benefits: 26 weeks of contribution, including 8 weeks before illness.

Sickness and Maternity Benefits

Sickness benefit: For first 10 weeks, 75% of average earnings in 13 weeks prior to onset of illness; 66% thereafter.

Payable after 4-day waiting period for up to 26 weeks.

Maternity benefit: 75% of average earnings of last 3 months before confinement, for 4 weeks before and 8 weeks after confinement (employer required to pay remaining 25% of earnings). Layette provided.

Workers' Medical Benefits

Medical benefits: Medical services ordinarily provided directly to patients through medical facilities of Social Security Institute. (In special cases where authorization obtained, refund according to fee schedule, or medical treatment abroad may be prescribed.)

Includes general and specialist care, surgery, hospitalization, medicines, eyeglasses and contact lenses, laboratory services, maternity care, and dental care.

Dependents' Medical Benefits

Medical benefits for dependents: Pediatric care for infants during first year (except drugs).

Administrative Organization

Ministry of Social Welfare, general supervision.
Ecuadorian Social Security Institute, administration of program.
Institute operates own clinics, dispensaries, and hospitals.

Work Injury

First law: 1921.
Current laws: 1964 and 1988.
Type of program: Social insurance system.

Coverage

All insured persons.

Source of Funds

Insured person: None; 1.5% for self-employed, voluntarily insured persons and artisans.
Employer: 1.5% of payroll.
Government: None.

Qualifying Conditions

Work-injury benefits: No minimum qualifying period.
Occupational disease: 26 weeks of contribution, with at least 8 weeks during last 6 months before illness.

Temporary Disability Benefits

Temporary disability benefit : For first 10 weeks, 75% of average earnings in 10 weeks prior to onset of illness; 66% thereafter.
Payable from 2nd day of incapacity up to 52 weeks.

Permanent Disability Benefits

Permanent disability pension: 80% of average earnings during last year, or during previous 5 years if higher earnings (100% of earnings in severe cases).
Partial disability: Percent of full pension proportionate to degree of disability, according to schedule in law. 15 payments a year.

Workers' Medical Benefits

Medical benefits: Medical and surgical care, hospitalization, appliances, medicines, and rehabilitation.

Survivor Benefits

Survivor pension: Same as nonwork-connected death benefits above.
Funeral grant: Lump sum; maximum, 24 times the minimum wage (includes cost of burial).

Administrative Organization

Ministry of Social Welfare, general supervision.
Ecuadorian Social Security Institute, administration of program.

Unemployment

First law: 1951.
Current law: 1958 and 1988.
Type of program: Social insurance system (lump-sum benefit).

Coverage

Employees in private and public sectors.
Exclusions: Artisans and volunteers.

Source of Funds

Insured person: 2% of earnings.
Employer: 1% of payroll.
Government: None.
(Additional insurance purchasable.)

Qualifying Conditions

Unemployment benefit (lump sum): 24 months of contribution.
Payable after at least 60 days of unemployment.

Unemployment Benefits

Unemployment benefit: Lump sum varying according to earnings and length of service (exact amounts fixed annually).
Survivor benefit (lump sum): Paid to widow, children under age 21, disabled widower, or, if none, certain other qualified relatives.

Administrative Organization

Ministry of Social Welfare, general supervision.
Ecuadorian Social Security Institute, administration of program.

Contact—Concepción McNeace—202-282-7270
